



Los Angeles County AUDIT COMMITTEE

DRAFT

Louisa Ollague, Chair
1st District
Lori Glasgow, Vice Chair
5th District
Dorinne Jordan
2nd District
Genie Chough
3rd District
Carl Gallucci
4th District

MINUTES

November 18, 2010

Genie Chough called the meeting to order at 10:34 a.m. in Conference Room 525, Kenneth Hahn Hall of Administration.

Committee Members Present

Avianna Uribe, First District
Dorinne Jordan, Second District
Genie Chough, Third District

Committee Members Excused Absence

Louisa Ollague, Chair, First District
Lori Glasgow, Vice Chair, Fifth District
Carl Gallucci, Fourth District

APPROVAL OF OCTOBER 21, 2010 MINUTES

On motion of Dorinne Jordan, seconded by Avianna Uribe and unanimously carried, the minutes of October 21, 2010 were approved.

OLD BUSINESS

- Clontarf Manor, Inc. Contract Compliance Review – A Department of Mental Health Service Provider (2/26/10)
 - Judith Miller, Compliance Officer for the Department of Mental Health (DMH) reported on the October 21st meeting with DMH, Auditor, County Counsel and the CPA for Clontarf, it was agreed that the entire cost report and allocation plan needed to be resubmitted. It was discovered that Clontarf was charging non DMH costs to the contract. The new report was due the first week of November and they failed to provide it however, they have stated the report would be turned in today. Dorinne Jordan asked that Auditor-Controller staff report back at the next meeting and provide the cycle of the contract.

By common consent, there being no objection, the Committee continued the aforementioned report to its January 20, 2010 meeting.

- Sunset Review for the Los Angeles County Arts Commission (11/10/10)
 - Jim Schneiderman, Auditor-Controller reported the Arts Commission was in agreement with the recommended revisions asking them to secure sponsorships for the holiday party and internship program and shortening their sunset date to 2012.

On motion of Genie Chough, seconded by Avianna Uribe and unanimously carried, the Committee received and filed the aforementioned report.

- Review Of The Department Of Health Services' Community Health Plan Patient Management System (8/25/10)
 - In response to Dorinne Jordan's inquiry of how the Community Health Plan relates to the Department. Jim Schneiderman explained that Medi-Cal works similar to Kaiser HMO. This system manages treatment of County responsible HMO patients who are treated out of network or out of the area.

On motion of Dorinne Jordan, seconded by Genie Chough and unanimously carried, the Committee received and filed the aforementioned report.

- Valley Community Clinic Contract Review – A Department of Public Health HIV/AIDS Care and Prevention Services Provider (9/1/10)
 - Don Chadwick, Auditor-Controller reported the Department of Public Health (DPH) sent another demand letter on October 20th asking the provider to submit a corrective action plan by November 3rd. DPH is in the process of drafting another demand letter informing them if a corrective action plan is not submitted the County will withhold future contract payments.

By common consent, there being no objection, the Committee continued the aforementioned report to its January 20, 2010 meeting.

- Contractor Alert Reporting Database Status Report (Board Agenda Item 26-C April 27, 2010) (9/16/10)
 - Don Chadwick responded to questions by Dorinne Jordan. Mr. Chadwick stated they anticipate training for all County departments to begin sometime in January/February. The system was developed by users and representatives of major County departments from ISD, DCFS, DPSS, and DHS. Representatives from Auditor-Controller and County Counsel will be present at the training and departments will be asked to consult with them in the future if they are unsure how to proceed. At the next workgroup meeting, a discussion will take place regarding the solicitation process and penalties for contractors on the list.
 - Judi Thomas, Auditor Controller stated a demand letter or notice of questioned costs must have been given to and ignored by a contractor before adding their name to the list.
 - Don Chadwick added contractor names will stay in the system for life and will maintain the history of repeat offenders.

On motion of Genie Chough, seconded by Dorinne Jordan and unanimously carried, the Committee received and filed the aforementioned report.

- Probation Department – Procurement Review (Phase 1) (9/28/10)

By common consent, there being no objection, the Committee continued the aforementioned report to its January 20, 2010 meeting.

- Proposed Fiscal Year 2010-2011 Audit Plan (10/15/10)
 - Jim Schneiderman reported four to five jobs were deleted due to funding or in some cases had to be delayed or dropped. This audit plan is facing the same kind of diversion of resources; items are moved to next year's plan depending on where resources are needed.

By common consent, there being no objection, the Committee continued the aforementioned report to its January 20, 2010 meeting.

- Audit Of The Southern California Gas Company Franchise Agreement (8/25/10)
- South Bay Workforce Investment Board Contract Review – A Department Of Public Social Services American Recovery And Reinvestment Act/Greater Avenues For Independence Vocational Intermediary And Direct Services Program Provider (9/22/10)
- Department of Mental Health Payroll/Personnel Review (9/28/10)
- Catholic Charities Of Los Angeles, Inc. Contract Review – A Department of Public Social Services Refugee Employment Program Provider (10/6/10)
- Annual Reporting Requirements For Foundations And Support Groups (10/12/10)

By common consent, there being no objection, the Committee, received and filed the aforementioned reports.

BOARD POLICIES

- Review of Board Policy No. 3.045 – Energy and Environmental Policy (10/25/10)

By common consent, there being no objection, the Committee continued the aforementioned policy to its January 20, 2010 meeting.

REPORTS TO BE RECEIVED AND FILED

- Barbour And Floyd Medical Associates Contract Review – A Department of Mental Health Service Provider (2/26/10)
- Internal Control Certification Program (ICCP) for Fiscal Year 2010-11 (10/22/10)
- Trinity Youth Services Program Review - A Department of Mental Health Service Provider (11/8/10)
- Drew Child Development Corporation Contract Review - A Department of Mental Health Service Provider (11/8/10)

On motion of Genie Chough, seconded by Avianna Uribe and unanimously carried, the Committee received and filed the aforementioned reports.

- Department of Health Services Martin Luther King, Jr. Multi-Service Ambulatory Care Center South/West Cluster – Review of Trust Funds, Revolving Funds, Commitments and Accounts Payable (11/1/10)

By common consent, there being no objection, the Committee continued the aforementioned report to its January 20, 2010 meeting.

OTHER BUSINESS

Pending Audits/Monitoring Reports – Maria Oms, Auditor-Controller reported within the next couple of weeks a report will be issued regarding DCFS cell phone use and unassigned air cards are also being reviewed.

Fiscal Year 2010-2011 Cash Flow Report (10/21/10) – Connie Yee, Auditor-Controller, Accounting Division, reported a negative cash balance of \$82 million. The amount is a result of the delay in payments from the State, the pending Health Services waiver still under negotiations and the analysis of the State's recent approval of the budget and the impact on cash to the County. John Naimo added they are waiting to see what happens with the State and will not change the year-end cash estimate until January.

DPSS Contract Provisions – Alfred Becerra, Department of Public Social Services reported that on November 16th they received approval from the State to include an unspent funds provision in DPSS contracts. DPSS will write a policy that will indicate that when contracts are amended they will include this unspent funds provision requiring agencies to reconcile what DPSS has paid them, with their expenses and either return the unspent funds or reinvest them for additional contract related services. Don Chadwick added contractors were retaining unspent funds and using them however they chose. In order for DPSS to revise their contracts they needed approval from the State and the process of obtaining approval has gone on for over six months. Mr. Becerra further added a disposition plan will need to be provided and submitted to DPSS for approval.

Timeframes for Departmental Responses – Jim Schneiderman reported Board Policy No. 4.050 requires departments to respond to audit reports within 60 days; however there are situations when departments are taking an excessive period of time to respond. Maria Oms suggested Auditor-Controller staff draft a letter for the Audit Committee to distribute to all departments to remind them of the timeframe requirement. Avianna Uribe will look into possibly adding the requirement to their MAPP Goal. Auditor-Controller staff will prepare a draft letter and present it at the January 20, 2010 meeting.

PUBLIC COMMENT

No members of the public addressed the Board.

MATTERS NOT ON THE POSTED AGENDA (TO BE PRESENTED AND PLACED ON THE AGENDA OF A FUTURE MEETING)

There were no matters to address.

ADJOURNMENT

By common consent, there being no objection, the Committee canceled the December 16, 2010 meeting.

There being no further business to conduct, the meeting was adjourned at 11:10 a.m.

Others in Attendance

Maria Oms, A-C
Judi E. Thomas, A-C
Jim Schneiderman, A-C
Don Chadwick, A-C
Elaine Boyd, A-C
Robert Campbell, A-C
Connie Yee, A-C

John Naimo, A-C
Antonio Gando, DMH
Judith Miller, DMH
Alfred Becerra, DPSS

Staff

Twila P. Kerr, Board of Supervisors
Lupe Duron, Board of Supervisors